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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of)
)
THE CALIFORNIA CORPORATIONS)
COMMISSIONER,)
)
Complainant,)
v.)
ON LEGAL GROUNDS, INC., LIKE NEW,)
INC., and ROBERT GREENBERG,)
)
Respondents.)

FINAL ORDER LEVYING
ADMINISTRATIVE PENALTIES PURSUANT
TO CORPORATIONS CODES SECTION
25252 AND ANCILLARY RELIEF
PURSUANT TO CORPORATIONS CODE
SECTION 25254

TO: Robert Greenberg
On Legal Grounds, Inc.
Like New, Inc.
29729 Niguel Road # C
Laguna Niguel, California 92677

1. On June 16, 2011 the Department of Corporations for the State of California brought an action to issue an order levying administrative penalties pursuant to Corporations Code section 25252 and ancillary relief pursuant to Corporations Code section 25254 on Respondents, Robert Greenberg and On Legal Grounds, Inc. and Like New, Inc.

1 2. At all relevant times herein, On Legal Grounds, Inc. (“On Legal Grounds”) was a
2 Nevada corporation with its primary place of business at 29729 Niguel Road Apt. C, Laguna Niguel,
3 California 92677.

4 3. At all relevant times herein, Like New, Inc. (“Like New”) was a California
5 corporation with its primary place of business at 24633 Santa Clara Ave., Dana Point, California
6 92629 and a wholly owned subsidiary of On Legal Grounds.

7 4. At all relevant times herein, Robert Greenberg (“Greenberg”) was President,
8 Treasurer, and Secretary of On Legal Grounds and President of Like New.

9 5. Like New, On Legal Grounds, and Greenberg are herein collectively referred to as
10 “Respondents.”

11 6. On or about July 31, 2007 in California, Greenberg, On Legal Grounds and Like New
12 by way of an issuer transaction, offered and sold securities in the form of common stock in On Legal
13 Grounds. The purpose of the offering was to seek long term capital appreciation and generate
14 revenue through products marketed by its wholly owned subsidiary, Like New. Investors had no
15 pre-existing relationship with Greenberg and were not accredited purchasers. Investors signed a
16 “Stock Purchase Agreement” to this effect. At the same time, Greenberg had investors sign a
17 “Confidential Private Placement Memorandum,” which despite being signed on or about July 31,
18 2007, was dated December 25, 2006. The shares offered and sold by Greenberg, Like new and On
19 Legal Grounds are securities subject to qualification under the California Corporations Code
20 (“Corporations Code”).

21 7. In connection with the offer and sale of these securities, Respondents, made, or
22 caused to be made, misrepresentations of material fact or omitted to state material facts necessary in
23 order to make the statements made, in the light of the circumstances under which they were made,
24 not misleading. These misrepresentations and omissions were the following:

25 a) Respondents omitted to inform Investors that the Commissioner issued a desist and
26 refrain order (“2006 Order”) against Like New, On Legal Grounds, and Greenberg on December 1,
27 2006, prohibiting them from offering or selling securities in the State of California unless and until
28 qualification has been made under this law or unless exempt.

1 8. On December 1, 2006, the Commissioner issued the 2006 Order against
2 Respondents as a result of:

3 a) The offer and sale of unqualified, nonexempt securities in the form of On
4 Legal Grounds common stock in violation of Corporations Code section 25110.

5 b) The omission of the material fact that the Commissioner issued a desist and
6 refrain order on December 31, 1986 against Greenberg's company, Eagle Power Systems,
7 Inc., in violation of Corporations Code section 25401.

8 9. The 2006 Order prohibits Respondents from:

9 a) Further offering or selling securities in the State of California unless and
10 until qualification has been made under this law or unless exempt and;

11 b) Offering or selling or buying or offering to buy any security in the state of
12 California, including but not limited to common stock, by means of any written or oral
13 communication which includes an untrue statement of a material fact or omits to state a
14 material fact necessary in order to make the statements made, in light of the circumstances
under which they were made, not misleading.

15 10. The 2006 Order was served on Respondents on January 7, 2007.

16 11. Respondents violated the 2006 Order in the following ways:

17 a) In or around July of 2007, (only five months after the 2006 Order was
18 served on Respondents) Respondents offered and sold securities to non-accredited Investors,
19 raising a total of \$40,000. These securities were not qualified or exempt from qualification.

20 b) Following the issuance and service of the 2006 Order, Respondents failed
21 to disclose to Investors that they were subjects of the 2006 Order.

22 12. On October 18, 2011 the Commissioner personally served Respondents with copies
23 of the following documents: (1) Notice of Intention to enter Order Levying Administrative Penalties
24 Pursuant to Corporations Code Section 25252 And Claim For Ancillary Relief Pursuant to
25 Corporations Section 25254; (2) Statement in Support of Order and Desist and Refrain Order; (3)
26 Statement to Respondents; (4) Notice of Defense; and (5) Government Code sections 11507.5,
11507.6 and 11507.7.

27 13. Respondents after appropriate notice and opportunity to be heard, have not requested
28 a hearing on this matter within 30 days after the personal service of the documents referenced in the

1 preceding paragraph as required by California Corporations Code section 25532 and the
2 Administrative Procedure Act. The time period to request a hearing has expired.

3 14. California Corporations Code section 25252 authorizes the Commissioner to issue an
4 order levying administrative penalties against any person for willful violations of any provision of the
5 Corporations Code and any rules promulgated thereunder.

6 15. Based on the foregoing findings of fact, Respondents willfully violated the following
7 provisions:

8 a) Corporations Code section 25110 by offering and selling securities that are not
9 qualified by the Department or exempt;

10 b) Corporations Code section 25401 by making untrue statements in association with
11 the offer and sale of securities;

12 c) The 2006 Order issued by the Commissioner as a result of both the omission of a
13 material fact in the offer and sale of securities and the offer and sale of securities that are not
14 qualified by the Department or exempt.

15 16. **WHEREFORE**, good cause showing, and pursuant to Corporations Code section
16 25252, the Commissioner enters this final order levying administrative penalties in the amount of
17 ten thousand, five hundred dollars (\$10,500), against Respondents, jointly and severally due and
18 payable 60 days from the date of this Order.

19 17. Corporations Code section 25254 authorizes the Commissioner to seek ancillary relief
20 on behalf of any person injured by violations of any provision of the Corporations Code and any
21 rules promulgated thereunder.

22 18. Based on the foregoing findings of fact, Respondents sold by means of fraud,
23 unqualified, nonexempt securities in an amount of forty thousand dollars (\$40,000) to California
24 investors in violation of Corporations Code sections 25110, 25401, and the 2006 Order.

25 19. **WHEREFORE**, good cause showing and pursuant to Corporations Code section
26 25254 the Commissioner enters this final order levying restitution in the amount of \$40,000.00
27 against Respondents, jointly and severally due and payable 60 days from the date of this Order.
28

NOW THEREFORE, GOOD CAUSE SHOWING, IT IS HEREBY ORDERED that Robert Greenberg and On Legal Grounds, Inc. and Like New, Inc. jointly and severally, pay administrative penalties in the amount of \$10,500.00 and restitution in the amount \$40,000.00 due and payable 60 days from the date of this Order.

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division